

## Message Text

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ACTION EA-10

INFO OCT-01 ISO-00 PM-03 NSC-05 SP-02 SS-15 RSC-01 L-02

PRS-01 CIAE-00 INR-05 NSAE-00 EB-04 /049 W

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R 210940Z OCT 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 5391

INFO AMCONSUL NAHA

DA WASHDC

DIV ENGINEER US ARMY ENGINEER DIV PACIFIC OCEAN HONOLULU HI

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EO 11652: NA

TAGS: MARR AFIN JA

SUBJ: OKINAWA REVERSION: DE MAURO CLAIM

REF: TOKYO 3271 DTG 200557Z MAR 74

SUMMARY: GOJ HAS STILL NOT ESTABLISHED PROCEDURES FOR HANDLING DE MAURO CLAIM UNDER ARTICLE VI OF REVERSION AGREEMENT. DE MAURO AND FONOFF QUESTION WHETHER OBLIGATION INVOLVED WAS TRANSFERRED BY REVERSION AGREEMENT. REQUEST INSTRUCTIONS. END SUMMARY

1. REFTEL DESCRIBES DE MAURO CLAIMS AGAINST OKINAWAN PUBLIC UTILITY CORPORATION AND THE LACK OF GOJ PROCEDURES FOR PROCESSING CLAIM IN ACCORDANCE WITH ARTICLE VI OF REVERSION AGREEMENT.

2. SINCE MARCH, SEVERAL MEETINGS WITH FONOFF HAVE SHOWN NO PROGRESS TOWARDS RESOLVING THIS PROBLEM. FONOFF (FIRST NORTH AMERICAN DIVISION CHIEF MATSUURA) MOST RECENTLY REPORTED THAT GOJ WAS STILL STUDYING MATTER AND THAT HE WAS NOT SURE WHEN IT WOULD BE ABLE TO PROVIDE AN OFFICIAL RESPONSE. SPEAKING PERSONALLY, HOWEVER, HE EXPRESSED TROUBLE WITH THE IDEA THAT THE GOJ WAS REQUIRED TO ESTABLISH SPECIAL CLAIMS PROCEDURE UNDER ARTICLE VI.

HE SAID THAT UNDER REVERSION SPECIAL MEASURES ACT, GOJ HAD TRANSFERRED ASSETS AND LIABILITIES OF USCAR PUBLIC UTILITY

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CORPORATIONS TO PREFECTURE WITHOUT ESTABLISHING ANY SPECIAL

CLAIMS PROCEDURE. HE OFFERED PERSONAL OPINION THAT DE MAURO COULD TAKE MATTER TO JAPANESE COURTS. EMBOFF POINTED OUT THAT WE WERE NOT ADVOCATING SPECIFIC PROCEDURE BUT WERE SEEKING OFFICIAL ADVICE ON HOW DE MAURO SHOULD PROCEED WITH CLAIM UNDER ARTICLE VI UNDER WHICH GOJ HAD CLEARLY ASSUMED RESPONSIBILITY FOR OBLIGATIONS OF USCAR UTILITIES CORPORATIONS. EMBOFF ALSO NOTED THAT OKINAWA PREFECTURE HAD NOT RESPONDED TO INQUIRIES FROM DE MAURO BUT HAD REPORTED IT WAS SEEKING ADVICE FROM CENTRAL GOVERNMENT.

3. MATSUURA ALSO RAISED QUESTIONS ABOUT VALIDITY OF DE MAURO CLAIM UNDER REVERSION AGREEMENT. HE NOTED THAT DE MAURO SIGNED CONTRACT WITH CORPS OF ENGINEERS AND NOT UTILITY CORPORATION AND THAT USG APPEALS PROCESS HAD CONTINUED EVEN AFTER REVERSION. THESE FACTS HE ASSERTED RAISED QUESTION OF WHETHER CLAIM REPRESENTED OBLIGATION OF CORPORATION OR OF USG. EMBOFF POINTED OUT THAT SUCH QUESTIONS COULD BE CONSIDERED BY WHATEVER CLAIMS TRIBUNAL GOJ DECIDES TO ESTABLISH. DURING THIS DISCUSSION, MATSUURA INDICATED DISCOMFORT WITH NOTION THAT GOJ WAS BEING ASKED TO HANDLE CLAIMS FOR DAMAGES WHICH ALLEGEDLY INCURRED LONG BEFORE REVERSION (19679).

4. EMBASSY HAS ALSO DISCUSSED MATTER WITH DE MAURO ON SEVERAL OCCASIONS. DE MAURO IS IN PRECARIOUS FINANCIAL SITUATION AND NEEDS EARLY SETTLEMENT OF CLAIM. DE MAURO UNDERSTANDABLY FRUSTRATED AND IMPATIENT WITH LACK OF PROGRESS. DE MAURO FEELS THAT HE NEGOTIATED CONTRACT WITH USG AND THAT USG SHOULD MAKE GOOD ON CLAIM, WITH THE TWO GOVERNMENTS SETTLING ANY ARTICLE VI PROBLEM THAT MAY BE INVOLVED.

5. DE MAURO (AND MATSUURA) MAY HAVE GOOD POINT. WE UNDERSTAND THAT IN EXECUTING CONTRACT WITH DE MAURO, ENGINEERS WERE ACTING ON BEHALF OF USCAR CORPORATION. IN OUR DISCUSSIONS WITH FONOFF, WE HAVE ASSUMED THAT THIS RELATIONSHIP WAS MADE EXPLICIT IN THE DE MAURO CONTRACT. HOWEVER, AFTER MATSUURA MADE POINT NOTED PARA 3 ABOVE, EMBASSY OBTAINED COPY OF CONTRACT FROM DE MAURO. THERE IS NO REFERENCE TO USCAR CORPORATION. THE STANDARD FORM 23 CONSTRUCTION CONTRACT INSTEAD REFERS ONLY TO CORPS OF ENGINEERS. THE OFFICE OF THE DISTRICT ENGINEER IS LISTED ON PAGE ONE UNDER QTE DEPARTMENT OR AGENCY UNQTE. ON THE REVERSE SIDE IN THE SIGNATURE BLOCK ARE LISTED AS PARTIES (1) THE DE MAURO LIMITED OFFICIAL USE

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CORP AND (2) QTE THE UNITED STATES OF AMERICA, BY H.C. SCHADER, COLONEL, CE, DISTRICT ENGINEER, CONTRACTING OFFICER UNQTE. CONTRACT INVOLVED IS NUMBERED DA92-328-ENG-849, JUNE 8, 1964. ARMED SERVICES BOARD OF CONTRACT APPEALS CONSIDERED MATTER UNDER HEADING ASBCA NO. 12374.

6. BEFORE PURSUING MATTER FURTHER WITH GOJ, REQUEST GUIDANCE RE BASIC QUESTION SUGGESTED BY DE MAURO (AND MATSUURA): WAS USG'S

CONTRACTUAL OBLIGATION TO DE MAURO TRANSFERRED TO GOJ UNDER ARTICLE VI OF REVERSION AGREEMENT? IF IT WAS NOT, BELIEVE DE MAURO SHOULD BE INSTRUCTED TO PURSUE CLAIM WITH USG.

7. EVEN IF OBLIGATION TRANSFERRED, EMBASSY RECOMMENDS CAREFUL CONSIDERATION OF POSSIBILITY OF USG SETTling DE MAURO CLAIM. DE MAURO NEGOTIATED ORIGINAL CONTRACT WITH USG, USG PROCESSING OF ORIGINAL APPEAL APPEARS TO HAVE BEEN UNUSUALLY SLOW, AND PROSPECTS FOR EARLY SETTLEMENT OF CLAIM BY GOJ SEEM REMOTE. IN VIEW OF THESE FACTORS AND DE MAURO'S PRECARIOUS SITUATION, BELIEVE IT WOULD BE APPROPRIATE TO SETTLE DIRECTLY WITH DE MAURO IF THIS IS AT ALL POSSIBLE.

8. IF NEITHER OF ABOVE COURSES POSSIBLE, REQUEST INSTRUCTIONS TO ASK GOJ TO ESTABLISH PROMPTLY APPROPRIATE CLAIMS MECHANISM FOR PROCESSING CLAIMS ARISING OUT OF ARTICLE VI. IN THIS CONNECTION, REQUEST GUIDANCE ON HANDLING MATSUURA VIEW THAT DE MAURO SHOULD PURSUE CLAIM WITH PREFECTURE AND IN JAPANESE COURTS IF NECESSARY.

9. REQUEST GUIDANCE ASAP.  
HODGSON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TERRITORIAL REVERSION, PROPERTY WAR CLAIMS, MILITARY AGREEMENTS  
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**Draft Date:** 21 OCT 1974  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Subject:** OKINAWA REVERSION: DE MAURO CLAIM  
**TAGS:** MARR, AFIN, JA, YQ, US, (DE MAURO)  
**To:** STATE  
**Type:** TE  
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